

FY 2000-01 BUDGET BUDGET SECTION SUMMARY

Section Title:

RUSSIAN RIVER COUNTY SANITATION DISTRICT
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A. Program Description

This budget finances operation, maintenance, and administration of a collection system, pumping stations, a treatment plant, and disposal facilities which serve the Russian River area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 99-00 Adopted	FY 00-01 Requested	Percent Change	FY 99-00 Adopted	FY 00-01 Requested	Percent Change
Operations	\$2,604,200	\$2,785,756	6.97%	\$702,708	\$779,421	10.92%
Bonds	104,000	100,450	(3.41%)	(64,250)	(67,800)	5.53%
Revenue Bonds	76,250	74,250	(2.62%)	(52,000)	(54,000)	3.85%
Construction	1,360,000	515,000	(62.13%)	850,000	35,000	(95.88%)
TOTAL:	\$4,144,450	\$3,475,456	(16.14%)	\$1,436,458	\$692,621	(51.78%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 98-99 Actual	FY 99-00 Budget Estimate	FY 99-00 Revised Estimate	FY 00-01 Projected	Change from FY 99-00 Budget Estimate
TOTAL ESDs	3,069	3,076	3,092	3,142	2.15%
TOTAL APNs	3,322	3,320	3,321	3,321	0.03%

E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 00-01 annual service charges is \$664, representing a 4.90% increase from FY 99-00. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 99-00 budget. This revenue change is due to the rate increase and the fact that projected ESDs for FY 00-01 are higher than the FY 99-00 budget estimate.

The Russian River County Sanitation District (Russian River CSD) treatment plant was completed in September 1980 and began operating in 1983. The Russian River CSD treatment plant is designed to treat an average daily dry weather flow of up to 710,000 gallons per day (mgd) to advanced (tertiary) wastewater treatment standards. The treatment plant has historically experienced operational problems associated with flooding on the Russian River and with insufficient dry-weather disposal capacity. During flood events, inflows in excess of 1.2 to 1.8 mgd are treated to primary standards, blended with tertiary-treated water, and discharged into the Russian River.

E. Summary of Issues and Significant Changes (continued)

The Russian River CSD irrigates approximately 20 acres of forest area adjacent to the treatment plant (referred to as the Silver property) and approximately 40 acres of the Northwood Golf Course. The Northwood Golf Course has not been able to achieve the disposal rate which was expected when the treatment plant was constructed. As a result, increased irrigation has been required at the Silver property. Expansion of the dry-weather disposal area is necessary under current conditions and will become more important as dry-weather inflows to the treatment plant have increased as a result of a mandatory connection ordinance (Ordinance 39) passed by the Russian River CSD Board of Directors in September, 1996. Only a few properties remain to be connected to the Russian River CSD's system. Legal action has recently been taken to connect the few remaining parcels which have not complied with Ordinance 39 voluntarily.

Since the Russian River CSD treatment plant was constructed, several treatment components have worn out or become obsolete. Components that need upgrade or replacement include the main lift station pumps, headworks, aerators, and chlorination contact chamber. Replacement or upgrade of these components is necessary to increase the reliability of the treatment process and reduce operational costs.

The Russian River CSD Board of Directors approved a scope of work and budget for preliminary engineering and environmental documentation on September 10, 1996 to address operational problems associated with Russian River flood events, the irrigation system, and obsolete equipment at the Russian River CSD treatment plant. Work on the EIR began in 1997 after a citizens advisory committee, consisting of residents within the Russian River CSD service area, was formed and began meeting with Russian River CSD staff.

On January 30, 1997, the North Coast Regional Water Quality Control Board (RWQCB) adopted Order No. 97-9, Cease and Desist Order for the Russian River County Sanitation District and the Sonoma County Water Agency. In response to this order, the Agency filed a "Report on Order No. 97-9" on March 15, 1997, and a revised report dated March 25, 1997, which proposed to remediate the issues cited in the Cease and Desist Order by completing an EIR by January 2000, and completing phase 1 of the solution by January 2003. The RWQCB responded by adopting Order 97-76 which rescinded the Cease and Desist Order, and required that the EIR be completed by May, 1999, and the project completed by March, 2001.

The Russian River CSD released the Russian River CSD Facility Upgrades and Disposal Expansion Project EIR, in accordance with Order 97-76 in September, 1998. The Final EIR was set aside in April 1999 due to public concern regarding the lack of a precise project description. Instead, the Board directed Russian River CSD staff to proceed with an environmental analysis for the construction of the third aeration basin, secondary clarifier, and tertiary filter at the treatment facility, which is also known as the Third Unit Processes Project, and determine additional items needed to address flood related issues.

In May 1999, the Board gave staff direction regarding work on three projects addressed in the 1999 Final EIR: Increased Disinfection Project, Increased Equalization Storage Project, and Disposal Expansion Project in addition to the Third Unit Processes Project. Staff was directed to proceed with environmental documentation for the Increased Disinfection Project and Increased Equalization Storage Project and to delay work on the Disposal Expansion Project for approximately one year. The Third Unit Processes Project has since been delayed due to the filing of a lawsuit by the Russian River Watershed Protection Committee in June, 1999. This lawsuit and other Agency priorities have delayed the projected completion of the environmental documentation for the other two projects.

E. Summary of Issues and Significant Changes (continued)

In January 2000, Agency staff held a Sanitation Workshop presenting a summary of operational and regulatory issues associated with sanitation systems operated by the Agency, providing information regarding past operational practices, changes in the regulatory environment, the estimated cost of sanitation services, and strategies for addressing current and future operational issues. Three levels of service and their costs were identified for each of the sanitation systems and are described below.

Minimum Level of Service: Includes services necessary for the protection of public health, employee safety, and public safety.

Standard Level of Service: Includes services necessary to operate and maintain the sanitation systems in order to limit or reduce the risk of (1) service interruption and (2) violations of the respective National Pollutant Discharge Elimination System (NPDES) permit or Waste Discharge Requirements (WDRs) issued by the Regional Boards.

Asset Preservation Level of Service: Includes services and programs necessary to (1) operate, maintain and replace facilities and equipment within the sanitation systems in order to preserve the system's assets, (2) provide a beneficial impact on the quality of life in the community, and (3) provide economic savings to the ratepayers through optimizing life cycle costs.

Projected FY 99-00 operating revenues provide sufficient funding for a Standard Level of Service, contingency funding, and substantial capital replacement funding. An additional \$470,000 in annual revenue will provide an Asset Preservation Level of Service under current operational conditions.

The construction budget requested for the Russian River CSD for FY 00-01 is \$515,000. The request includes funds for an Aeration Basin project (\$180,000), the Third Unit Processes project (\$143,000), additional environmental analysis and various projects associated with the Russian River CSD Facility Upgrades and Disposal Expansion Project EIR (\$65,000), funds for the Headworks Influent Screen (\$110,000), and funds for other projects totalling \$17,000.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2000-01 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - OPERATIONS

Section/Index No: 652107

Sub-Object No. and Title	Adopted 1999-00	Requested 2000-01	Difference	Percent Change
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REVENUES:

TAXES

1001 Flat Charges - CY	\$1,756,385	\$1,860,329	\$103,944	5.92%
1007 Flat Charges - CY Sec July	5,000	5,000	0	0.00%
1061 Flat Charges - PY	100,000	100,000	0	0.00%
1120 Penalties / Costs on Taxes	15,000	15,000	0	0.00%

Subtotal Taxes	\$1,876,385	\$1,980,329	\$103,944	5.54%
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USE OF MONEY

1700 Interest on Pooled Cash	\$6,750	\$6,750	\$0	0.00%
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Subtotal Use of Money	\$6,750	\$6,750	\$0	0.00%
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CHARGES FOR SERVICES

3400 Sanitation Services	\$18,357	\$19,256	\$899	4.90%
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Subtotal Charges for Services	\$18,357	\$19,256	\$899	4.90%
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TOTAL REVENUES	\$1,901,492	\$2,006,335	\$104,843	5.51%
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EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$12,500	\$12,500	\$0	0.00%
6180 Maintenance - Bldgs / Impr	200,000	150,000	(50,000)	(25.00%)
6262 Lab Supplies	3,500	4,000	500	14.29%
6522 District Services	700,000	900,000	200,000	28.57%
6570 Consultant Services	0	25,000	25,000	N/A
6573 Administration Costs	18,500	18,500	0	0.00%
6610 Legal Services	18,000	18,000	0	0.00%
6630 Audit / Accounting Services	15,350	15,756	406	2.64%
7212 Chemicals	35,000	35,000	0	0.00%
7217 State Permits / Fees	11,000	50,000	39,000	354.55%
7247 Water Conservation	10,000	10,000	0	0.00%
7320 Utilities	130,000	130,000	0	0.00%

Subtotal Services and Supplies	\$1,153,850	\$1,368,756	\$214,906	18.63%
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SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 652107

Sub-Object No. and Title	Adopted 1999-00	Requested 2000-01	Difference	Percent Change
<u>OTHER CHARGES</u>				
7930 Interest LT Debt	\$0	\$0	\$0	N/A
7970 Taxes / Assessments	350	0	(350)	(100.00%)
7980 Depreciation	800,000	800,000	0	0.00%
8090 Loss on Fixed Assets	0	0	0	N/A
Subtotal Other Charges	\$800,350	\$800,000	(\$350)	(0.04%)
<u>FIXED ASSETS</u>				
8510 Buildings / Improvements	\$0	\$0	\$0	N/A
8560 Equipment	0	0	0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$600,000	\$567,000	(\$33,000)	(5.50%)
Subtotal Other Financing Uses	\$600,000	\$567,000	(\$33,000)	(5.50%)
<u>APPROPRIATIONS FOR CONT</u>				
9000 Approp for Contingencies	\$50,000	\$50,000	\$0	0.00%
Subtotal Approp for Contingencies	\$50,000	\$50,000	\$0	0.00%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9210 Advances	\$66,000	\$66,000	\$0	0.00%
9219 Advances - Clearing	(66,000)	(66,000)	0	0.00%
9220 Contributed Capital	0	0	0	N/A
9229 Contributed Capital - Clearing	0	0	0	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$2,604,200	\$2,785,756	\$181,556	6.97%
<u>TOTAL NET COST</u>				
<i>(Expenditures Minus Revenues)</i>	\$702,708	\$779,421	\$76,713	10.92%

FY 2000-01 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - BONDS

Section/Index No: 652206

Sub-Object No. and Title	Adopted 1999-00	Requested 2000-01	Difference	Percent Change
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REVENUES:

TAXES

1000 Prop Taxes - CY Secured	\$150,000	\$150,000	\$0	0.00%
1020 Prop Taxes - CY Supplemental	1,500	1,500	0	0.00%
1040 Prop Taxes - CY Unsecured	1,000	1,000	0	0.00%
1060 Prop Taxes - PY Secured	0	0	0	N/A
Subtotal Taxes	\$152,500	\$152,500	\$0	0.00%

USE OF MONEY

1700 Interest on Pooled Cash	\$15,750	\$15,750	\$0	0.00%
Subtotal Use of Money	\$15,750	\$15,750	\$0	0.00%

TOTAL REVENUES	\$168,250	\$168,250	\$0	0.00%
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$250	\$200	(\$50)	(20.00%)
Subtotal Services and Supplies	\$250	\$200	(\$50)	(20.00%)

OTHER CHARGES

7920 Interest	\$103,750	\$100,250	(\$3,500)	(3.37%)
Subtotal Other Charges	\$103,750	\$100,250	(\$3,500)	(3.37%)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$70,000	\$70,000	\$0	0.00%
9209 Ent - Principal Clearing	(70,000)	(70,000)	0	0.00%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$104,000	\$100,450	(\$3,550)	(3.41%)
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TOTAL NET COST (Expenditures Minus Revenues)	(\$64,250)	(\$67,800)	(\$3,550)	5.53%
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FY 2000-01 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - REVENUE BONDS

Section/Index No: 652214

Sub-Object No. and Title	Adopted 1999-00	Requested 2000-01	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$11,250	\$11,250	\$0	0.00%
Subtotal Use of Money	\$11,250	\$11,250	\$0	0.00%

OTHER FINANCING SOURCES

4625 OT - W/in Special District - BOS	\$117,000	\$117,000	\$0	0.00%
Subtotal Other Financing Sources	\$117,000	\$117,000	\$0	0.00%

TOTAL REVENUES	\$128,250	\$128,250	\$0	0.00%
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EXPENDITURES:

OTHER CHARGES

7920 Interest	\$76,250	\$74,250	(\$2,000)	(2.62%)
Subtotal Other Charges	\$76,250	\$74,250	(\$2,000)	(2.62%)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$40,000	\$45,000	\$5,000	12.50%
9209 Ent - Principal Clearing	(40,000)	(45,000)	(5,000)	12.50%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$76,250	\$74,250	(\$2,000)	(2.62%)
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TOTAL NET COST (Expenditures Minus Revenues)	(\$52,000)	(\$54,000)	(\$2,000)	3.85%
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FY 2000-01 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - CONSTRUCTION

Section/Index No: 652305

Sub-Object No. and Title	Adopted 1999-00	Requested 2000-01	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$27,000	\$30,000	\$3,000	11.11%
Subtotal Use of Money	\$27,000	\$30,000	\$3,000	11.11%

ADMINISTRATIVE CONTROL

4220 Contributed Capital	\$0	\$0	\$0	N/A
4229 Contributed Capital - Clearing	0	0	0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$483,000	\$450,000	(\$33,000)	(6.83%)
Subtotal Other Financing Sources	\$483,000	\$450,000	(\$33,000)	(6.83%)

TOTAL REVENUES	\$510,000	\$480,000	(\$30,000)	(5.88%)
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EXPENDITURES:

FIXED ASSETS

8500 Land	\$50,000	\$0	(\$50,000)	(100.00%)
8510 Building / Improvement	1,085,000	510,000	(575,000)	(53.00%)
9142 Capital Replacement Program	225,000	5,000	(220,000)	(97.78%)
9199 Rebudget - Bldg / Impr	0	0	0	N/A
Subtotal Fixed Assets	\$1,360,000	\$515,000	(\$845,000)	(62.13%)

TOTAL EXPENDITURES	\$1,360,000	\$515,000	(\$845,000)	(62.13%)
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TOTAL NET COST (Expenditures Minus Revenues)	\$850,000	\$35,000	(\$815,000)	(95.88%)
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FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Taxes

Character No.: 652107-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 99-00 budget. The rate will increase 4.90%, from \$633 to \$664 and the number of ESDs charged on the tax roll is expected to increase from 3,083 budgeted in FY 99-00 to 3,113 for FY 00-01.

ESDs times annual rate:	3,113 x \$664	\$2,067,032
Less Estimated Delinquency Factor:	10%	(206,703)
		<u>\$1,860,329</u>

1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties/Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 652107-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$150,000
Projected Interest Rate	<u>5.00%</u>
Projected/Planned Interest on Pooled Cash	\$6,750

Character Title: Charges for Services

Character No.: 652107-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 00-01 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$633 to \$664. The number of invoiced entities is estimated to remain the same as FY 99-00.

ESDs x Annual Charge	29 x \$664	=	\$19,256
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FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Services and Supplies

Character No.: 652107-60

6040 Communications

This account records expenses paid by the District for outside communication services such as Pacific Bell and AT&T, as well as for the cost of alarm services provided by Honeywell.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the collection system and treatment facilities.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6522 District Services

This account records the cost of labor and overhead required for operation and maintenance of the District's facilities and equipment, as well as other related service and supply items. The increase in the requested budget more accurately reflects actual expenses in this account.

6570 Consultant Services

Appropriations are requested to provide funding for NPDES permit negotiations.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6630 Audit / Accounting Services

This item represents an estimate from the Auditor's Office for the FY 00-01 expense for the audit of the previous fiscal year (\$5,200, as set forth in the Budget Instructions). In addition, this item records the direct allocation of Auditor-Controller Fiscal Services staff costs for time expected to be spent on District accounting.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant in accordance with the District's NPDES permit, as required by the State Water Quality Control Board.

7217 State Permits / Fees

This account records the cost of obtaining the District's permits related to NPDES, as mandated by the Regional Water Quality Control Board.

FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Services and Supplies (continued) **Character No.:** 652107-60

7247 Water Conservation

An EIR is currently being prepared as a result of a Cease and Desist Order issued to the Russian River CSD. The EIR is required to discuss the potential reduction in influent flows due to water conservation. The amount requested to be budgeted in this account for FY 00-01 represents an estimate of the minimum cost required to implement a reasonable water conservation program.

7320 Utilities

This account records the cost of utilities, such as gas, electricity, and water.

Character Title: Other Charges **Character No.:** 652107-75

7980 Depreciation

Generally accepted accounting principles require that depreciation be expensed each year.

Character Title: Fixed Assets **Character No.:** 652107-85

8510 Buildings / Improvements

There are no Buildings / Improvements Projects planned for FY 00-01.

8560 Equipment

No expenditures for equipment are planned for the forthcoming year.

Character Title: Other Financing Uses **Character No.:** 652107-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund to the revenue bond fund to cover principal and interest payments, as well as to the construction fund to finance the capital replacement program. If the operations fund does not have sufficient cash available to finance planned capital projects, the transfer to the construction fund will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Transfer to Revenue Bond Fund	\$117,000
Transfer to Construction Fund	450,000
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Total Operating Transfer	\$567,000

FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Appropriations for Contingencies

Character No.: 652107-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Administrative Control Account

Character No.: 652107-92

9210 Advances

This account reflects increment payments to the County General Fund on a long term, interest free loan received for operating purposes (and not supported by EPA grant reimbursement). Annually, the District is required to repay \$66,000 on this outstanding loan. The loan balance on July 1, 1999 was \$614,153. Subtracting the annual payment of \$66,000, the outstanding loan balance on July 1, 2000 will be \$548,153.

9219 Advances - Clearing

This is the clearing account for sub-object 9210, Advances.

FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Bonds

Character Title: Taxes

Character No.: 652206-10

1000 Prop Taxes - CY Secured

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

1020 Prop Taxes - CY Supplemental

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1040 Prop Taxes - CY Unsecured

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1060 Prop Taxes - PY Secured

No amount is recommended since no revenue has been received in this account in recent years.

Note: The FY 2000-01 bond payment amount (principal and interest) is \$170,250. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

Character Title: Use of Money

Character No.: 652206-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$350,000
Projected Interest Rate	5.00%
Projected/Planned Interest on Pooled Cash	\$15,750

Character Title: Services and Supplies

Character No.: 652206-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Bonds

Character Title: Other Charges

Character No.: 652206-75

7920 Interest

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began July 1, 1980 and will continue semi-annually until July 1, 2018. The FY 00-01 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Account

Character No.: 652206-92

9200 Ent - Principal

This account reflects the principal expense for general obligation bonds that were issued in 1979 to finance the local share of a wastewater collection system. Payments on the bonds will continue until July 1, 2018. The FY 00-01 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$2,900,000
Total FY 80-81 through FY 97-98 Principal Payments:	(825,000)
FY 99-00 Principal Payment:	(70,000)
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Outstanding Bond Amount	\$2,005,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2000-01 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Revenue Bonds

Character Title: Use of Money

Character No.: 652214-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$250,000
Projected Interest Rate	5.00%
Projected/Planned Interest on Pooled Cash	\$11,250

Character Title: Other Financing Sources

Character No.: 652214-46

4625 OT - W/in Special Dist - BOS

The revenues supporting the revenue bond are collected in the operations fund. This account reflects the transfer of cash from operations to the revenue bond fund to cover the annual principal and interest payment.

Character Title: Other Charges

Character No.: 652214-75

7920 Interest

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 5%. Payments began April 1, 1982 and will continue semi-annually until April 1, 2020. The FY 00-01 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Account

Character No.: 652214-92

9200 Ent - Principal

This account reflects the principal expense for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. The FY 00-01 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$2,000,000
Total FY 82-83 through FY 98-99 Principal Payments:	(475,000)
FY 99-00 Principal Payment:	(40,000)
Outstanding Bond Amount	\$1,485,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2000-01 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Construction

Character Title: Use of Money

Character No.: 652305-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$600,000
Projected Interest Rate	5.00%
Projected/Planned Interest on Pooled Cash	\$30,000

Character Title: Other Financing Sources

Character No.: 652305-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the operations fund to the construction fund to finance the capital replacement program. If the operations fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Character Title: Fixed Assets

Character No.: 652305-85

8510 Buildings / Improvements

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

The following Plant/Reclamation Improvement projects are planned for FY 00-01:

	<u>PCAS No.</u>	<u>Amount</u>
Aeration Basin Project	TBD	180,000
Third Unit Processes Project	3653	143,000
Headworks Influent Screen	TBD	110,000
EIR - Wet Weather Inflow Treatment	3656	\$ 25,000
EIR - Disinfection	3657	25,000
EIR - Disposal Irrigation	TBD	15,000
Boundary Expansion/Environmental Studies	3550	5,000
Return Activated Sludge Control Valve	3612	3,000
Guerneville Lift Station - Electrical Service upgrade	TBD	2,000
Guernwood Park Lift Station - Electrical Service upgrade	TBD	2,000
Subtotal for Buildings / Improvements (Sub-object 8510)		\$ 510,000

FY 2000-01 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Construction

Character Title: Fixed Assets (continued)

Character No.: 652305-85

9142 Capital Replacement Program

PCAS No. TBD \$ 5,000

This requested amount is intended to fund repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.

Total Request - Character 85 \$ 515,000

FY 2000-01 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Russian River CSD - Operations

Index No.: 652107

DESCRIPTION OF FUND ACTIVITY	Actual FY 98-99	Estimated FY 99-00	Requested FY 00-01
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$655,919	\$393,538	\$385,395
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,965,073	1,992,675	2,006,335
Expenditures - (Decrease) retained earnings	(2,376,604)	(2,734,818)	(2,785,756)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(411,531)	(742,143)	(779,421)
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	709,691	800,000	800,000
8090 Loss on Fixed Assets		0	0
9210 Advances (to County General Fund)	(66,000)	(66,000)	(66,000)
9220 EPA Repayment	(476,828)	0	0
Adjustments - Contributed Capital	0	0	0
Adjustments - Loss on Fixed Asset	6,718	0	0
Net Change in Encumbrance	(24,431)	0	0
Net Adjustment - Increase/(Decrease) to Retained Earnings	149,150	734,000	734,000
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	393,538	385,395	339,974
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$262,381)	(\$8,143)	(\$45,421)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/98	7/1/99	
Cash	\$485,559	\$276,320	
Accounts Receivable	1,948	0	
Other Receivables (Flat Charges)	318,516	273,075	
Due from Other Governments	0	0	
Due to Other Funds	(66,000)	(66,000)	
Accounts Payable	(41,362)	(50,697)	
Interest Payable	(28,013)	0	
Encumbrances (Contract)	(14,729)	(39,160)	
Total Beginning Retained Earnings	\$655,919	\$393,538	

FY 2000-01 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Russian River CSD - Bonds
Index No.: 652206

DESCRIPTION OF FUND ACTIVITY	Actual FY 98-99	Estimated FY 99-00	Requested FY 00-01
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$345,410	\$322,226	\$316,189
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	148,866	167,963	168,250
Expenditures - (Decrease) retained earnings	(107,050)	(104,000)	(100,450)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	41,816	63,963	67,800
Adjustments to Reserves/Encumbrances:			
9200 Enterprise Principal	(65,000)	(70,000)	(70,000)
Net Adjustment - Increase/(Decrease) to Retained Earnings	(65,000)	(70,000)	(70,000)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	322,226	316,189	313,989
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$23,184)	(\$6,037)	(\$2,200)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/98	7/1/99	
Cash	\$345,410	\$322,226	
Accounts Payable	0	0	
Matured Principal Payable	0	0	
Interest Payable	0	0	
Total Beginning Retained Earnings	\$345,410	\$322,226	

FY 2000-01 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Russian River CSD - Revenue Bonds Reserve

Index No.:

DESCRIPTION OF FUND ACTIVITY	Actual FY 98-99	Estimated FY 99-00	Requested FY 00-01
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$121,250	\$121,250	\$121,250
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	0	0	0
Expenditures - (Decrease) retained earnings	0	0	0
Net Surplus or Deficit - Inc/(Dec) to retained earnings	0	0	0
Adjustments to Reserves/Encumbrances:			
No Adjustments Required			
Net Adjustment - Increase/(Decrease) to Retained Earnings	0	0	0
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	121,250	121,250	121,250
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$0	\$0	\$0
<u>Retained Earnings Components at Beginning of FY</u>	7/1/98	7/1/99	
Cash	\$121,250	\$121,250	
Other Receivables	0	0	
Contract Retention Payable	0	0	
Encumbrances (PO)	0	0	
Total Beginning Retained Earnings	\$121,250	\$121,250	

FY 2000-01 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Russian River CSD - Revenue Bonds

Index No.: 652214

DESCRIPTION OF FUND ACTIVITY	Actual FY 98-99	Estimated FY 99-00	Requested FY 00-01
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$136,264	\$156,672	\$174,842
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	138,157	134,420	128,250
Expenditures - (Decrease) retained earnings	(77,749)	(76,250)	(74,250)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	60,408	58,170	54,000
Adjustments to Reserves/Encumbrances:			
9200 Ent - Principal	(40,000)	(40,000)	(45,000)
Net Adjustment - Increase/(Decrease) to Retained Earnings	(40,000)	(40,000)	(45,000)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	156,672	174,842	183,842
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$20,408	\$18,170	\$9,000
<u>Retained Earnings Components at Beginning of FY</u>	7/1/98	7/1/99	
Cash	\$186,608	\$211,296	
Other Receivables	9,218	4,439	
Revenue Bonds Payable (Current)	(40,000)	(40,000)	
Contract Retention Payable	0	0	
Interest Payable	(19,562)	(19,063)	
Total Beginning Retained Earnings	\$136,264	\$156,672	

FY 2000-01 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Russian River CSD - Construction

Index No.: 652305

DESCRIPTION OF FUND ACTIVITY	Actual FY 98-99	Estimated FY 99-00	Requested FY 00-01
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$1,065,780	\$853,747	\$131,603
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	259,490	646,305	480,000
Expenditures - (Decrease) retained earnings	(491,916)	(1,368,449)	(515,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(232,426)	(722,144)	(35,000)
Adjustments to Reserves/Encumbrances:			
4220 Contributed Capital	44,433	-	0
Capitalized Interest	(55,184)		
Change in Encumbrances	31,144		
Net Adjustment - Increase/(Decrease) to Retained Earnings	20,393	-	0
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	853,747	131,603	96,603
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$212,033)	(\$722,144)	(\$35,000)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/98	7/1/99	
Cash	\$1,111,035	\$913,018	
Other Receivables	2,378	2,747	
Accounts Payable	(6,553)	(52,082)	
Encumbrances (Contract)	(41,080)	(9,936)	
Total Beginning Retained Earnings	\$1,065,780	\$853,747	